

August 29, 2003

Dear Circuit Court Clerks and County Election Directors:

We have enclosed a copy of the application that your county can use to apply to the state for voting system reimbursement. Please do not be alarmed by the length of the document. We have included all of the information for your convenience. It is likely you will not need to complete many of the sections. The Overview on pages 1-5 of the application provides some very detailed information about the application process and the restrictions that apply to the various federal and state funds that will be used for county reimbursement. Please review that information, and feel free to contact us if you have further questions. The application and this cover letter will also be posted on our web site at www.in.gov/sos/elections.

Here are some Questions and Answers that may help you in explaining the voting equipment reimbursement process to county officials, the media, and the public:

1. Who can apply for voting system reimbursement?

Every county is eligible to apply for some type of voting system reimbursement. Some counties will only be eligible to receive reimbursement for purchasing the new direct recording electronic (DRE) voting systems to permit blind and visually impaired voters to vote without assistance that will be required under federal law in each polling place.

If a county used lever machines or punch cards in November 2000, the county will be eligible for reimbursement for replacing those voting systems. In the future, some counties may also be eligible for reimbursement for voting system upgrades purchased between January 1998 and July 2001.

2. What is the deadline to apply?

The enclosed application must be filed with the Election Division by October 31, 2003. However, there will be other opportunities for the county to apply during 2004 and 2005.

3. What if the county already submitted an application for voting system reimbursement?

Your county may have already submitted an application for reimbursement at the end of 2002, or in January 2003. Any of the information you provided with your original application does not have to be resubmitted with the enclosed application for

reimbursement for which the county would be filing at this point. However, the date that the county files the enclosed application is the date that matters in determining your county's ranking in the "first come, first served" disbursing of federal money, not the date that the county may have filed any previous application.

4. What money is available to the county now?

This reimbursement is almost totally from federal money under the Help America Vote Act of 2002 (HAVA). We are still waiting on the largest part of this federal money to arrive in Indiana. However, we have received some federal funds to reimburse counties which replaced lever machines or punch card systems after November 2000. These counties can expect to receive an amount equal to \$3192 per precinct by properly completing and filing the enclosed application.

5. When can the county expect to receive this money?

If the county is eligible to receive this \$3192 per precinct reimbursement, the county's application will be reviewed no later than November 2003 by the Secretary of State and the Election Division. However, the sooner the county files the completed application, the sooner this review process can begin. The Secretary of State and Election Division will make a recommendation regarding the county's application to the State Budget Committee. After the Budget Committee completes its review, the State Budget Agency will decide if the county qualifies to receive the reimbursement. Although we can't predict the time that this entire process will take, we can promise you that the Secretary of State and Election Division will be as expeditious as possible in doing our part of this job, and that we will work with the Budget Committee and Budget Agency to do all that we can to move the process along.

6. Will there be more money later? If so, when?

This depends on the level and timing of federal funding. We hope to have more federal money available later in 2003, as well as in 2004 and 2005. This depends in large part on the federal budget that is adopted for those years. We urge you to communicate your opinions on full funding of the federal Help America Vote Act of 2002 to your U.S. Senators and Representatives.

When we receive additional federal money, we expect to make additional disbursements to county applicants.

Our State Plan to implement HAVA calls for counties which are eligible to receive this \$3192 per precinct reimbursement (the "lever and punch card counties") to receive total reimbursement of *up to* \$8,000 per precinct after all of the federal money is received, along with *up to* \$50,000 per county for the software needed to operate the voting systems. If there is any additional federal money received in 2003, we plan to provide additional reimbursement to the lever and punch card counties this year.

Likewise, the State Plan calls for all other counties to receive total reimbursement of *up to* \$4,000 per precinct after all of the federal money is received, along with *up to* \$50,000 per county for the software needed to operate the voting systems. If there is any additional federal money received, we plan to provide additional reimbursement to the lever and punch card counties during 2004 and 2005.

Because the timing of this federal funding is not certain, there may be several different payments of these federal funds to a county over the next few years.

7. What if the county doesn't replace its lever machines or punch cards?

In the short run, the county would not be eligible to receive the \$3192 per precinct reimbursement. However, Indiana law now prohibits the use of lever machines and punch cards in elections after 2005. As a result, beginning in 2006, the county would be required to use traditional hand-counted paper ballots, and to have one DRE in each polling place available for blind voters.

8. If my county hasn't used lever or punch cards, why should I apply now?

Federal funds will be disbursed as available to all counties on a "first come, first served" basis, depending upon when the county filed this application for reimbursement. If your county fails to apply or delays in applying, your county will be in line behind other counties that applied first. As a result, federal funds for your county will not be available (if at all) until after counties that previously filed receive their share.

9. Is the county required to pay money to a vendor now to apply for reimbursement?

No. A county is required to have signed a contract which obligates the county to pay money to the vendor. The county is not required to have made any or all payments to the vendor under that contract before the county files an application for reimbursement.

If you have other questions regarding the reimbursement process, or the enclosed application, please contact us. Thanks for your interest and assistance.

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